

Big Brother is watching: EU cracks down on cash transactions

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The European Union has put together a preliminary agreement that includes a €10,000 cap on cash payments to address the challenges posed by money laundering and the financing of terrorism. The accord, reached through negotiations among member states and the European Parliament this week, seeks to protect citizens and the EU financial system from illicit financial activities.

However, the proposed legislation raises privacy concerns and fears of state surveillance and government control over how people spend their money, as well as potential abuse of the new powers.

The newly established regulations will impose the cash payment limit on entities engaged in financial services, banking, real estate agencies, asset management firms, casinos, and merchants. Moreover, these entities will be obligated to verify the identity of individuals making cash payments within the range of €3,000 to €10,000.

While member countries have the flexibility to set lower limits for cash payments, the interim agreement introduces a heightened focus on monitoring high-net-worth individuals, a provision advocated for by Members of the European Parliament (MEPs).

In an expansion of the scope of oversight, the interim agreement now encompasses a significant segment of the cryptocurrency sector. Crypto service providers will be required to authenticate customer identities for transactions equal to or exceeding €1,000.

Beginning in 2029, the regulatory framework will be extended to include professional football clubs and agents, which will be categorized as obligated

entities. This classification mandates these entities authenticate customer identities, monitor transactions, and promptly report any suspicious money transfers to the financial intelligence services of their respective countries.

The agreement empowers member countries to exclude football clubs and agents from their national lists if they are determined not to pose a risk.

National financial intelligence services and other competent authorities will gain access to information on ownership, bank accounts, and land and property registries. These authorities will also supervise the transfer of ownership for specific luxury goods, setting thresholds at €250,000 for cars and €7.5 million for yachts and aircraft.

The impending implementation of the new legislation has ignited a robust public debate, exposing a diverse range of viewpoints. Heightened apprehensions surrounding potential totalitarian surveillance, especially with exemptions for high-profile individuals, evoke disquieting parallels to Orwell's '1984' and intensify fears of a dystopian reality.

Skepticism has been cast on the effectiveness of these regulations, prompting queries about their ability to genuinely combat money laundering and fostering calls for a more inclusive strategy that addresses the burgeoning cryptocurrency sector.

Conversely, some interpret the EU's cash payment cap as a positive stride toward meeting the needs of the contemporary economy. They acknowledge the evolving financial landscapes and the digitization of cash flows, including the growing influence of central bank digital currencies. However, there are those who condemn these measures as excessive state control. The ongoing discourse reflects a polarized perspective on the EU's actions, encapsulating concerns about potential abuses of power and the necessity of adapting payment methods to contemporary needs. This debate underscores the intricate dynamics between financial regulations, surveillance, and individual freedoms in the digital age.

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